



Quarterly report on consolidated results for the third financial quarter ended 31st December 2014

Condensed Consolidated Statements of Comprehensive Income for the third financial quarter ended 31st December 2014

(The figures have not been audited)

	3 months ended		9 months ended	
	31st Dec 2014 RM'000	31st Dec 2013 RM'000	31st Dec 2014 RM'000	31st Dec 2013 RM'000
Revenue	23,520	36,870	89,895	110,184
Operating Expenses	(24,077)	(35,096)	(89,689)	(104,281)
Other operating income	1,920	97	2,158	938
<b>Profit from operations</b>	<b>1,363</b>	<b>1,871</b>	<b>2,364</b>	<b>6,841</b>
Finance costs	(341)	(516)	(1,106)	(1,556)
<b>Profit before tax</b>	<b>1,022</b>	<b>1,355</b>	<b>1,258</b>	<b>5,285</b>
Income tax expense	(327)	(362)	(500)	(1,322)
<b>Profit for the period</b>	<b>695</b>	<b>993</b>	<b>758</b>	<b>3,963</b>
<b>Attributable to:</b>				
Equity holders of the parent	695	936	758	3,890
Minority interest	-	57	-	73
	<b>695</b>	<b>993</b>	<b>758</b>	<b>3,963</b>
Basic - sen	1.00	1.99	1.09	8.26

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31st March 2014 and the accompanying explanatory notes attached to the interim financial statements.

Quarterly report on consolidated results for the third financial quarter ended 31st December 2014

Condensed Consolidated Statements of Financial Position as at 31st December 2014

(The figures have not been audited)

	As at 31st Dec 2014 RM RM'000	As at 31st March 2014 RM RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	68,517	67,849
Investment Properties	36,404	36,212
Other investments	5,024	6,682
	<u>109,945</u>	<u>110,743</u>
<b>Current assets</b>		
Inventories	15,466	13,445
Trade receivables	20,338	24,009
Other receivables	8,599	13,293
Cash and bank balances	7,402	4,544
	<u>51,805</u>	<u>55,291</u>
<b>TOTAL ASSETS</b>	<u>161,750</u>	<u>166,034</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	75,836	54,705
Share premium	18,063	18,063
Treasury Shares	(6,517)	(2,573)
Other reserves	880	880
ICULS- Equity reserve	22,064	22,249
Warrants reserve	81	81
Retained earnings	17,678	16,920
	<u>128,085</u>	<u>110,325</u>
<b>Minority interests</b>	<u>(127)</u>	<u>7,614</u>
<b>Total equity</b>	<u>127,958</u>	<u>117,939</u>
<b>Non-current liabilities</b>		
Retirement benefit obligations	1,284	1,304
Reserve on Consolidation	(259)	
Borrowings	11,698	10,373
Deferred tax liabilities	3,991	3,991
	<u>16,714</u>	<u>15,668</u>
<b>Current liabilities</b>		
Borrowings	1,885	15,333
Trade payables	8,404	11,538
Other payables	5,567	4,462
Provision for taxation	1,222	1,094
	<u>17,078</u>	<u>32,427</u>
<b>Total liabilities</b>	<u>33,792</u>	<u>48,095</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>161,750</u>	<u>166,034</u>
Net asset per share attributable to ordinary equity holders of the parent (RM)	1.85	2.12

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31st March 2014 and the accompanying explanatory notes attached to the interim financial statements.

Quarterly report on consolidated results for the third financial quarter ended 31st December 2014

Condensed Consolidated Statements of Cash Flow for the third financial quarter ended 31st December 2014

(The figures have not been audited)

	9 months ended	
	As at 31st Dec 2014 RM'000	As at 31st Dec 2013 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,258	5,285
Depreciation	2,496	2,757
Increase in share capital	21,131	3,716
Retirement Benefit paid	(20)	(3)
Interest expense	1,095	1,556
Proposed Dividend	-	(18,000)
Other investment	200	(40)
ICULS	(185)	(333)
Operating profit before working capital changes	25,975	(5,062)
(Increase)/ Decrease in inventories	(2,021)	(4,697)
(Increase)/ Decrease in receivables	8,330	3,318
(Decrease)/ Increase in payables	(1,928)	(3,861)
Net change in intercompanies balance	35	19,487
Cash generated from/ (used in) operations	30,391	9,185
Income tax paid	(473)	(291)
Interest paid	(1,095)	(1,556)
Net cash from/ (used in) operating activities	28,823	7,338
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property plant and equipment	(3,356)	(9,461)
Disposal/ (Purchase) of equity investments - Treasury shares	(3,944)	(5,093)
Disposal/ (Purchase) of investment	(6,542)	-
Proceeds from disposal of property, plant and equipment	-	373
Net cash from/ (used in) investing activities	(13,842)	(14,181)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	-	(1,865)
Net changes in short term borrowings	(12,570)	-
Repayment of short term borrowings	-	(416)
Repayment of term loans	(222)	-
Repayment of long term borrowings	-	(1,156)
(Repayment)/ proceeds of HP borrowings	1,546	1,431
	(11,246)	(2,006)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	3,735	(8,849)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	3,562	12,434
<b>CASH AND CASH EQUIVALENTS AT END</b>	<u>7,297</u>	<u>3,585</u>
<b>Represented by:</b>		
Cash and bank balances	7,402	4,088
Bank overdrafts	(105)	(503)
	<u>7,297</u>	<u>3,585</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.

Quarterly report on consolidated results for the third financial quarter ended 31st December 2014
Condensed Consolidated Statement of Changes in Equity for the third financial quarter ended 31st December 2014

	-----Attributable to Equity Holders of the Parent-----							Minority Interest	Total Equity	
	Share capital	Irredeemable Convertible Unsecured Loan Stocks	-----Non-Distributable-----							Total
			Share premium	Treasury shares	Warrants reserve	Other reserve	Accumulated profit			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
9 months ended 31st December 2013										
As at 1 April 2013	48,489	22,832	21,446	-	-	(700)	15,838	107,905	8,516	116,421
Movements during the period (cumulative)	3,716	(333)	-	(5,093)	-	-	(1,808)	(3,518)	-	(3,518)
Net profit for the period	-	-	-	-	-	-	3,890	3,890	73	3,963
At 31st December 2013	<u>52,205</u>	<u>22,499</u>	<u>21,446</u>	<u>(5,093)</u>	<u>-</u>	<u>(700)</u>	<u>17,920</u>	<u>108,277</u>	<u>8,589</u>	<u>116,866</u>
9 months ended 31 December 2014										
As at 1 April 2014	54,705	22,249	18,063	(2,573)	81	880	16,920	110,325	7,614	117,939
Movements during the period (cumulative)	21,131	(185)	-	(3,944)	-	-	-	17,002	(7,741)	9,261
Net profit for the period	-	-	-	-	-	-	758	758	-	758
At 31st December 2014	<u>75,836</u>	<u>22,064</u>	<u>18,063</u>	<u>(6,517)</u>	<u>81</u>	<u>880</u>	<u>17,678</u>	<u>128,085</u>	<u>(127)</u>	<u>127,958</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.

**EXPLANATORY NOTES : (AS PER MFRS 134)****A1 Basis of Preparation**

The condensed consolidated interim financial statements ("Report") are unaudited and have been prepared in accordance with applicable Malaysian Financial Reporting Standards ("MFRS") No. 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Report also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board ("IASB").

The accounting policies and methods used in preparing the quarterly financial statements are consistent and should be read in conjunction with the audited financial statements for the financial year ended 31<sup>st</sup> March 2014.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31<sup>st</sup> March 2014.

**A2 Basic of measurement**

The unaudited financial statements of the Group have been prepared on the historical cost basis other than as disclosed.

The explanation and financial impacts on transition to MFRSs are disclosed below:

**(i) Property, plant and equipment - Deemed cost exemption**

The Group has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standards IAS 16 (Revised) Property, Plant and Equipment, which was effective for periods ending on or after 1 September 1998. By virtue of this transitional provision, the Group had recorded certain property, plant and equipment at revalued amounts, but had not adopted a policy of regular revaluation, and continued to carry those assets on the basis of their previous revaluations subject to continuity in its depreciation policy and the requirement to write down the assets to their recoverable amounts for impairment adjustments.

Upon transition to MFRSs, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRSs, the Company elected to apply the optional exemption to use the previous revaluation of the said assets, adjusted for depreciation, if any, as deemed cost under MFRSs.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

(ii) **Foreign currency translation differences**

Under FRSSs, the Group recognised foreign currency translation differences in other comprehensive income and accumulated the amount in the foreign currency translation reserve in equity.

Upon transition to MFRSs, the Group has elected to deem all foreign currency translation differences that arose prior to the date of transition in respect of all foreign operations to be nil at the date of transition.

**A2.1 Standards issued but not yet effective**

The Group and the Company have not applied the following new MFRSs, amendments to MFRSs and IC Int that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the Group and for the Company:

**Amendments to MFRSs and IC Int effective for financial periods beginning on or after 1 January 2014**

MFRS 10, 12 and 127	Consolidated Financial Statements, Disclosure of Interests in Other Entities and Separate Financial Statements: Investment Entities
MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Int 21	Levies

**Effective for financial periods beginning on or after 1 July 2014**

Amendments to MFRS 119	Defined Benefit Plans : Employee Contributions
Annual improvements to MFRSs 2010-2012 Cycle	
Annual improvements to MFRSs 2011-2013 Cycle	



**EXPLANATORY NOTES: (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)**

**Effective date yet to be confirmed**

Amendments to MFRS 7	Financial Instrument: Disclosures - Mandatory Date of MFRS 9 and Transition Disclosures
MFRS 9	Financial Instruments (2009,2010)
MFRS 9	Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139

The initial application of the above standards is not expected to have any financial impacts to the financial statements upon adoption.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with the most recent annual audited financial statements for the year ended 31<sup>st</sup> March, 2014.

**EXPLANATORY NOTES: (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)****A3 Declaration of audit qualification**

The audit report of the Company in respect of the annual financial statements for the year ended 31<sup>st</sup> March 2014 was not subject to any audit qualification.

**A4 Segmental reporting**

Segmental analysis for the current financial year to-date

	Revenue (RM)	Profit From Operations (RM)
Manufacturing	39,285,034	704,035
Trading	48,792,625	(1,027,719)
Others	1,817,038	2,688,120
	<u>89,894,697</u>	<u>2,364,436</u>

**A5 Unusual items**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

**A6 Changes in estimates**

There were no changes in estimates of amount used in our previous reporting having a material impact in the current reporting.

**A7 Seasonality or cyclical nature of operation**

The business of the Group is generally neither non-cyclical nor seasonal except for decreased activities during the festive season.

**A8 Dividend**

No dividend has been declared for the period.

**A9 Valuation of property, plant and equipment**

Investment properties have been revalued to fair value according to MFRS140 for the financial year ended 31st March 2014.



**EXPLANATORY NOTES: (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)****A10 Issuances and repayments of debts and equity securities**

The Company repurchased 2,180,000 of its issued ordinary shares from the open market on 05 December 2014.

There were no other issuances and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial year to date.

**A11 Changes in the composition of the Group**

There were no changes in the composition of the Group for the current quarter.

**A12 Subsequent material events**

To the best knowledge of the Directors, there is no transaction or event of a material or unusual nature occurring between 31<sup>st</sup> March 2014 and the date of this announcement.

**B1 Review of the performance of the Company and its principal subsidiaries**

	9 months ended	
	31 Dec 2014	31 Dec 2013
Revenue	23,520	36,870
Profit/ (loss) before tax	1,022	1,355

The Group's revenue for the 3<sup>rd</sup> quarter ended 31<sup>st</sup> Dec 2014 recorded at RM23.520million, compare to revenue of RM36.870million for the preceding year correspondence quarter. Revenue dropped about 36.2% mainly due to drop in quantity of Metal Roofing and Metal Recycling.

The Group made profit before tax of RM1,022 million for the 3<sup>rd</sup> quarter ended 31<sup>st</sup> Dec 2014 compare to profit before tax of RM1.355million for the preceding year corresponding quarter mainly contributed by drop in profit of Metal Roofing and Metal Recycling.

**B2 Material changes in the quarterly results compared to the results of the immediate preceding quarter**

	3 months ended	
	31 Dec 2014	30 Sept 2014
Profit/ (loss) before tax	1,022	(1,390)

The Group posted profit before tax of RM1,022 million for the 3<sup>rd</sup> quarter ended 31<sup>st</sup> December 2014 compare to loss before tax of RM1.390million for the immediate preceding quarter.

**B3 Prospects of the current financial year**

The Board of Directors is confident to achieve positive results in coming financial year barring any unforeseen circumstances.

**B4 Variance of actual profit from forecast profit**

This is not applicable to the Group.

**B5 Taxation**

Taxation comprises:-

	Cumulative Quarters		
	Current Year Quarter 31/12/2014 RM'000	Current Year To Date 31/12/2014 RM'000	Preceding Year Corresponding Period 31/12/2013 RM'000
Current year expense	-	-	-
Provision of Income tax	(327)	(500)	(1,322)
	(327)	(500)	(1,322)
Current year Deferred tax provision	-	-	-
	(327)	(500)	(1,322)

**B6 Other Investments**

	RM 31 <sup>st</sup> Dec 2014	RM 31 <sup>st</sup> March 2014
<b>Non-current</b>		
Available for sale financial assets:		
- Shares quoted in Malaysia,	3,077,270	3,035,040
- Quoted unit trusts in Malaysia, at cost	29,611	29,611
	1,606,881	3,064,651
- Unquoted shares, at cost	2,999,838	2,999,838
- Less: Accumulated impairment losses	(1,082,061)	(882,061)
	1,917,777	2,117,777
	5,024,658	5,182,428
Held to maturity investments:		
- Loan stocks quoted in Malaysia, at cost	-	1,500,000
	5,024,658	6,682,428
Market value of:		
- Shares quoted in Malaysia	3,393,486	3,035,040
- Quoted unit trusts	29,611	29,611
- Loan stocks quoted in Malaysia	-	2,550,017

**B7 Status of corporate proposals**

On 12 August 2014, Public Investment Bank Berhad (“PIVB”) announced on behalf of the Company that Bursa Malaysia Securities Berhad had, vide its letter dated 12 August 2014, approved the following:

- a) admission up to 150,205,007 Warrants C to the Official List of the Main Market of Bursa Securities and the listing of and quotation for the Warrant C;
- b) the listing of and quotation for up to 300,410,014 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
- c) the listing of and quotation for 1,045,045 new additional warrants arising from the adjustment to the number of Warrants B as a result of Proposed Rights Issue with Warrants (“Additional Warrants B”) and
- d) the listing of and quotation for up to 150,205,007 new SMPC Shares to be issued arising from the exercise of the Warrants C and up to 1,045,045 new SMPC Shares to be issued arising from the exercise of the Additional Warrants B, on the Main Market of Bursa Securities.

On 26 September 2014, the shareholders of the Company had approved the resolution pertaining to the Proposed Rights Issue with Warrants at the Extraordinary General Meeting held on the even date.

On 25 November 2014, PIVB announced on behalf of the Company that the Rights Issue with Warrants was completed following the listing of 21,423,150 Rights Shares together with the Warrants C on the Main Market of Bursa Malaysia Securities Berhad on 25 November 2014.

**B8 Group borrowings and debt securities**

There were no bank borrowings other than as detailed below and debt securities as at the end of the reporting period.

	Short Term RM '000	Long Term RM '000
Secured		
Bankers' acceptances	743	-
Bank Overdraft	105	-
Term loan	1,037	8,214
Hire Purchase Loan	-	3,484
	-----	-----
	1,885	11,698
	=====	=====

**B9 Material litigation****a) Kuala Lumpur High Court, Civil Suit No.22NCC-177-05/2014**

On 13 June 2014, the Company together with SMPC Industries Sdn. Bhd. ("SISB"), Mr. Ooi Chieng Sim ("OCS") and Affin Bank Berhad ("Affin") ("the Defendants") was served with a writ of summons and statement of claim dated 22 May 2014 by a former director of the Company, Machendran a/l Pitchai Chetty ("the Plaintiff").

The Writ of Summons arose from the Plaintiff's claims on the following:

- The Plaintiff seeks a declaration that he be relieved of his personal guarantee of RM18,000,000 issued in favour of Affin for a term loan granted to SISB,
- In the alternative, the Company and SISB be ordered to make good/or otherwise indemnify the Plaintiff to the full extent of the term loan outstanding to Affin,
- Unspecified sum of general damages to be ascertained from the date the Plaintiff relinquished his position as Managing Director of the Company in August 2013 until the Plaintiff is relieved of the personal guarantee, and
- General damages against the Defendants with interest of 5% per annum from the date of judgement to the date of realisation and costs.

The Company, SISB and OCS have filed Memorandum of Appearance on 26 June 2014 and thereafter Defence was filed on 07 July 2014.

The Company, SISB and OCS have also filed an application for transfer of proceedings to Penang Court on 08 August 2014 which was eventually dismissed with costs in the cause.

Subsequently a Consent Judgment has been entered between the Plaintiff and Affin on 17 September 2014, whereby Affin has agreed to discharge Plaintiff as the guarantor.

Thereafter, the Plaintiff has filed an application to amend his Statement of Claim on 4 November 2014 and the said application was granted on 5 December 2014.

Upon receiving Plaintiff's amended Statement of Claim dated 5 December 2014 and filing our amended Defence on 19 December 2014, Plaintiff has then filed in an application for discovery of documents against the Company and SISB. However, Plaintiff's application for discovery of documents was dismissed with costs of RM3,000 payable to the Company and SISB on 9 February 2015.

**a) Kuala Lumpur High Court, Civil Suit No.22NCC-177-05/2014 (con't)**

In the meantime, the Company has also filed an application to add in a counter claim against Plaintiff for the sum of RM450,349.80 pursuant to the terms in the Cooperation Agreement dated 07 June 2011. The Court has fixed for hearing on 16 February 2015 for the Company's hearing on 16 February 2015 for the Company's application.

The Court on 1<sup>st</sup> October 2014 have fixed a new date of 23-25 March 2015 as hearing date for the full trial from 19 – 20 November 2014 previously.

Prior to the writ of summons and statement of claim, the Company has on 27 February 2014 announced that it proposes to undertake a Rights Issue with Warrants, which was approved by Bursa Malaysia Securities Berhad on 12 August 2014 which part of the proceeds will be utilised to settle the outstanding term loan.

**b) Penang Session Court, Summons No.A52NCC-156-07/2014**

On 09 July 2014, the Company together with a subsidiary of the Company, Park Avenue Construction Sdn. Bhd. ("PAC") have filed a civil suit against Machendran a/l Pitchai Chetty to recover the sum of RM279,696.00 including interest at 5% per annum on the said amount calculated from 17 June 2014 until date of realisation and cost for breach of fiduciary duties as a director of the Company and of the subsidiary.

Subsequently the matter has been transferred to Butterworth Sessions' court and thereafter the Defendant has filed his Defence and Counter claim on 29 September 2014. Amongst his counter claim was for the outstanding salary of RM156,455.65 together with EPF which were due and owe by the Company and PAC. The Company and PAC then filed their Reply and Defence towards Defendant's Counter Claim on 17 October 2014.

In the midst of preparing bundle of documents, Defendant has filed an application to amend his Defence and Counter Claim on 15 January 2015, whereby the Company has no objection against the application. As such, the Court has instructed the Company and PAC to file in their reply to Defence and Defence to Plaintiff's counter claim on/ before 13 February 2015. The Court has further fix a mention date on 27 February 2015.

Except the above, there are no material litigations pending as at the date of this announcement.

**B10 Dividend**

The Board of Directors of the Company has not recommended any dividend for the period ended 31 December 2014.

**B11 Dividend Payable**

The Company announced on 6 November 2014, that distribution of treasury shares as share dividend at the ratio of one (1) treasury share for every twenty (20) existing ordinary shares of RM1 each held in the Company on the entitlement date of 11 December 2014. The distribution date on the treasury shares is on 5 January 2015.

**B12 Earnings per share**

- (i) Basic earnings per ordinary share  
The earnings per share is calculated by dividing the net profit attributable to shareholders of RM757,504 by the number of ordinary shares in issue during the current quarter after treasury shares of 69,319,120.
- (ii) Diluted earnings per ordinary share  
The diluted earnings per share is not presented as the assumed conversion of potential ordinary share are anti-dilutive.

**B12 Realised and unrealised profits/losses disclosure**

The retained profits as at 31 December 2014 and 31 March 2014 is analysed as follows:-

	Current financial period 31 Dec 2014 RM'000	As at the end of last financial year 31 March 2014 RM'000
Total retained profit/ (accumulated loss) of the Company and its subsidiaries:		
- Realised	(27,628)	(25,182)
- Unrealised	-	(3,204)
	<hr/>	<hr/>
Less: Consolidation adjustments	(27,628) 45,306	(28,386) 45,306
	<hr/>	<hr/>
Total Group retained profit as per consolidated financial statements	17,678	16,920
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